

## United States Senate

WASHINGTON, DC 20510-1804

October 17, 2014

The Honorable Barack Obama  
President of the United States  
The White House  
1600 Pennsylvania Avenue  
Washington, DC 20500

Dear Mr. President:

During your visit to the Port of New Orleans last November, you touted the Federal infrastructure investments in the region and the importance of continuing to grow exports, one of the brightest spots in our economy today. You said that ports "...help keep our economy going – moving products, moving people, making sure that businesses are working...And it's part of the reason why we've been able to increase exports so rapidly, it's because we've got some of the best natural resources and waterways in the world." Unfortunately, the systemic underfunding of our nation's waterways is eroding our competitive advantage and compromising ongoing economic growth in Louisiana and across the country.

Today, due to insufficient federal funding, the Lake Charles River Pilots announced that the draft in the Calcasieu Ship Channel will be reduced from 40 feet to 39 feet for ships with beams of 106 feet or less and 38 feet for larger ships. The Calcasieu Ship Channel connects the Port of Lake Charles, one of the top 15 ports in the nation by tonnage, with the Gulf of Mexico and is poised to become the nation's leading exporter of Liquefied Natural Gas (LNG). Two LNG facilities valued at \$20 billion will soon be exporting LNG and additional projects will bring a total of \$70 billion in planned investments along the channel in the coming years. When these projects are fully operational, the Federal Treasury will receive an estimated \$1.2 billion annually from the Port of Lake Charles and its tenants, a \$450 million increase over the \$750 million it currently contributes to the Federal Treasury every year, yet the Port does not have the federal partner it needs. In your most recent budget request, you provided less than \$11 million to maintain this channel, a 28% cut in funding from the previous year and well below the \$30 – \$40 million needed to maintain Congressionally authorized dimensions.

In the 1930s, 1940s and 1950s, we were spending up to \$70 per person on our water infrastructure, whereas today we spend an embarrassing \$18 per person. That puts us at #143 in the world, just barely ahead of Greece. That is not acceptable. Last month, I was honored to host our mutual friend and the new Director of the Office of Management and Budget, Shaun Donovan, for a tour of the Port of New Orleans and a roundtable discussion about the importance of investing in our nation's waterways. As you work together to craft your budget proposal for fiscal year 2016, I strongly encourage you to reverse this trend and increase federal investments in our waterways.

The industry already pays nearly \$2 billion every year in taxes, yet only a fraction of it goes toward its intended purpose – operating and maintaining our critical infrastructure. Dedicating the full balance of the Harbor Maintenance Trust Fund for its statutory purpose would greatly enhance our deep draft ports' ability to compete in a post-Panamax economy, and our inland waterways operators are asking to pay higher taxes to help address the backlog of major construction and rehabilitation projects at 22 locks and dams throughout the country. If we do not significantly increase future lock and dam modernization funding above the \$169 million requested in your fiscal year 2015 budget, these projects will not be complete until 2090 according to the Army Corps of Engineers' best-case-scenario.

The Port of Lake Charles is poised for explosive growth as a critical gateway for getting American goods and services associated with our domestic energy renaissance to international markets, but it is not alone in providing a significant return on investment to the American taxpayer. For every dollar allocated to the Army Corps Civil Works Program, \$2.50 is returned to the United States Treasury through increased tax revenues and other payments.

Long before we laid tracks for locomotives and paved highways for cars and trucks, we relied on our waterways, and it is imperative that we include them in the debate about how to operate and sustain our national transportation infrastructure. One 15-barge tow significantly reduces CO2 emissions and takes over 1,000 trucks off the highway. Waterborne transportation is the safest, cleanest, and cheapest way to transport freight in America, but we need to give business and industry reliable channels that will ensure their goods get to market on time and under budget. American entrepreneurs are the best and the brightest in the world, but they cannot compete in a global market without a viable federal partner that makes basic investments in infrastructure.

With warm regards, I am

Sincerely,



Mary L. Landrieu  
United States Senator